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WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
A COMPONENT UNIT OF THE
WEST FELICIANA PARISH POLICE JURY
ST. FRANCISVILLE, LOUISIANA
OCTOBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 26 2000

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LARRY G. JOHNSON

CERTIFIED PUBLIC ACCOUNTANT

A PROFESSIONAL ACCOUNTING CORPORATION

March 16, 2000

Independent Auditor's Report

The Board of Commissioners
West Feliciana Parish Hospital
Service District No. 1
St. Francisville, Louisiana

I have audited the accompanying component unit balance sheet of the

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
ST. FRANCISVILLE, LOUISIANA

at October 31, 1999, and October 31, 1998, the related component unit statement of revenue and expenses, net assets, and cash flows for the years then ended. These component unit financial statements are the responsibility of the management of the West Feliciana Parish Hospital District No. 1. My responsibility is to express an opinion on these component unit financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the West Feliciana Parish Hospital Service District No. 1 as of October 31, 1999, and October 31, 1998, the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

Larry G. Johnson

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
BALANCE SHEET
OCTOBER 31, 1999, AND OCTOBER 31, 1998

A S S E T S

	<u>OCTOBER 31,</u> <u>1999</u>	<u>1998</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$1,004,648	\$604,737
Accounts receivable-patients, net	681,809	758,851
Contractual settlements	170,025	45,294
Accounts receivable-other	662,748	608,246
Inventories	98,065	83,241
Prepaid expenses	<u>96,077</u>	<u>80,632</u>
<u>Total current assets</u>	2,713,372	2,181,001
<u>ASSETS WHOSE USE IS LIMITED</u>		
By agreements with third party payors for funded depreciation	1,720,828	1,681,640
<u>PROPERTY, PLANT AND EQUIPMENT</u>	<u>2,099,318</u>	<u>1,835,751</u>
<u>Total Assets</u>	6,533,518 =====	5,698,392 =====
<u>L I A B I L I T I E S A N D N E T A S S E T S</u>		
<u>CURRENT LIABILITIES</u>		
current maturities of long term debt	\$4,483	\$13,875
Advances related to contractual settlements	857,670	473,753
Accounts payable	133,176	199,874
Accrued expenses	<u>132,841</u>	<u>101,709</u>
<u>Total current liabilities</u>	1,128,170	789,211
<u>LONG TERM DEBT, less current maturities</u>	0	5,365
<u>DEFERRED REVENUES</u>	<u>120,498</u>	<u>148,460</u>
<u>Total liabilities</u>	1,248,668	943,036
<u>NET ASSETS</u>		
Unrestricted net assets	<u>5,284,850</u>	<u>4,755,356</u>
<u>Total liabilities and net assets</u>	6,533,518 =====	5,698,392 =====

Notes are an integral part of this statement.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENT OF REVENUE AND EXPENSES
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31,	
	1999	1998
<u>NET PATIENT SERVICE REVENUE</u>	\$3,669,724	\$3,641,497
<u>OTHER OPERATING REVENUE - PATIENT SERVICES</u>	94,866	91,923
<u>Total patient service revenue</u>	3,764,590	3,733,420
<u>OPERATING EXPENSES</u>		
Salaries	1,914,083	1,807,626
Supplies and other services	468,486	466,876
Purchased Services	625,634	548,869
Employee Benefits	257,580	273,188
Insurance	47,619	57,170
Emergency Room Physicians	578,985	529,350
Utilities and telephone	119,512	111,983
Other overhead expenses	333,712	345,483
Provision for bad debts	488,346	491,828
Interest expense	2,041	2,432
Abandonment of plans for facility improvement	111,426	
Depreciation	226,193	181,553
<u>Total operating expenses</u>	5,173,617	4,816,358
<u>REVENUE IN EXCESS (UNDER) EXPENSES - PATIENT SERVICES</u>	(1,409,027)	(1,082,938)
<u>OTHER OPERATING REVENUE</u>		
Hospital sales tax	1,203,822	1,184,449
Parish maintenance tax	580,465	522,659
<u>Total other operating revenue</u>	1,784,287	1,707,108
<u>INCOME (LOSS) FROM OPERATIONS</u>	375,260	624,170
<u>NONOPERATING REVENUE</u>		
Deferred Grants - current recognition	27,962	23,795
Police Jury Sales Tax	6,000	6,000
Interest income	101,873	102,088
All other	18,399	17,745
<u>Total nonoperating revenue</u>	154,234	149,628
<u>REVENUE IN EXCESS OF EXPENSES</u>	529,494	773,798
	=====	=====

Notes are an integral part of this statement.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENT OF NET ASSETS
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31, <u>1999</u> <u>1998</u>	
Balance at beginning of period	\$4,755,356	\$3,981,558
Revenue in excess of expenses	<u>529,494</u>	<u>773,798</u>
Balance at end of period	5,284,850 =====	4,755,356 =====

Notes are an integral part of this statement.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENT OF CASH FLOWS
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31,	
	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income	\$529,494	\$773,798
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	226,193	181,553
Abandonment of plans for facility improvement	111,426	
Accretion of deferred revenues for property additions	(27,962)	(27,961)
Provisions for losses on accounts receivable	488,346	491,828
(Increase) decrease in patient receivables and contractual settlements and advances	(152,118)	(292,513)
(Increase) decrease in accounts receivable-other	(54,502)	113,346
(Increase) decrease in inventories	(14,824)	(890)
(Increase) decrease in prepaid expenses	(15,445)	(42,379)
(Decrease) increase in accounts payable	(66,698)	111,245
(Decrease) increase in accrued expenses	31,132	(12,087)
<u>Net cash provided by operating activities</u>	<u>1,055,042</u>	<u>1,295,940</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash invested in assets whose use is limited	(39,188)	(406,003)
Capital expenditures	(601,186)	(813,759)
<u>Net cash provided (used) by investing activities</u>	<u>(640,374)</u>	<u>(1,219,762)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on long-term debt	(14,757)	(16,559)
<u>Net cash provided (used) by financing activities</u>	<u>(14,757)</u>	<u>(16,559)</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	399,911	59,619
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>604,737</u>	<u>545,118</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>1,004,648</u>	<u>604,737</u>

Notes are an integral part of this statement.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Report Issued Under Separate Cover

The West Feliciana Parish Hospital Service District No. 1's component unit financial statements are an integral part of the West Feliciana Parish Police Jury's comprehensive annual financial report. This report has been issued under separate cover for the West Feliciana Parish Hospital Service District No. 1, and should not be used for any other purpose. The only operations of the West Feliciana Parish Hospital Service District No. 1 are through the West Feliciana Parish Hospital.

B. Financial Reporting Entity

On February 21, 1968, the West Feliciana Parish Policy Jury passed a resolution creating the West Feliciana Parish Hospital District No. 1 (hereinafter sometimes called the "District") under the authority of Article 6, Section 19, of the 1974 Louisiana Constitution and Chapter 10 of Title 46 of the Louisiana Revised Statutes of 1950, as amended. The District is composed of all the territory situated within the limits of the Parish of West Feliciana.

The governing authority of the District consists of a board of seven (7) commissioners, all of whom are qualified electors of West Feliciana Parish. The Commissioners serve with pay, per diem, and reimbursement of actual cash out-of-pocket expenses incurred in the performance of their duties.

The public purpose of the District is to secure, provide for, and protect the public health and welfare by the treatment of human ailments through the acquisition and construction of projects as authorized by Chapter 10 of Title 46 of the 1974 Louisiana Constitution, and the financing and refinancing of indebtedness to acquire, construct, renovate, improve hospitals, clinics, laboratories, a nursing home, and any other facility, building or structure which may be of use and benefit in the teaching, training or practice of medical science and treatment of human ailments, or for such other facilities as the District shall find useful in the study of, or research in, or treatment of illness or infirmities, all as is more fully set out in said Chapter 10 of Title 46 of the 1974 Louisiana Constitution.

C. Basis of Presentation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the period. Actual results could differ from those estimates. Certain amounts have been reclassified from their original presentation in the 1998 financial statements to be consistent with the 1999 presentation.

The accounts of the District are organized on the basis of a fund which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenses. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Enterprise Funds are used to account for operations; (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary Funds are maintained on the accrual basis of accounting wherein revenue is recognized in the accounting period in which it is earned and becomes measurable, and expenses are recognized in the period incurred, if measurable.

D. BUDGETARY ACCOUNTING

The District's adopted budget meets the requirements of the Louisiana Local Government Budget Act as provided by Louisiana Revised Statutes 13:1301-1315.

E. CHARITY CARE

The Hospital provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

F. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

G. INVENTORIES

Inventories are valued at the lower of cost or market using the first-in, first-out method.

H. DEPOSITS - CASH AND CASH EQUIVALENTS

The October 31, 1999, and October 31, 1998, carrying amounts of the District's deposits were \$1,134,955, and \$948,947, respectively, of which \$200,000 is covered by Federal Depository Insurance. The remaining bank balances which are considered category 1 for generally accepted governmental accounting principles, were collateralized by securities held in a joint custodial account in the District's name.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. ACCOUNTS RECEIVABLE

Accounts receivable from patients, insurance companies and third-party reimbursement contractual agencies are recorded at established charge rates. Certain third-party insured accounts (Medicare and Medicaid) are based on cost reimbursement agreements which generally result in the District collecting less than the established charge rates with the difference recorded as "contractual adjustments." Final determination of settlement is subject to review by appropriate authorities. Adequate allowances are provided for doubtful accounts and contractual adjustments. Doubtful accounts are written off against the allowance after adequate collection effort is exhausted and recorded as recoveries of bad debts if subsequently collected. Net operating revenue includes only those amounts estimated by management to be collectible.

J. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost, except for assets donated to the District. Donated assets are recorded at the appraised value at the date of donation.

Depreciation is recorded on a straight-line basis over the useful lives of the assets. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Maintenance, repairs, replacements and improvements of minor importance are expensed. Major replacements and improvements are capitalized.

K. NET PATIENT SERVICE REVENUE

Net patient service is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

L. VACATION PAY

Accumulated unpaid vacation is accrued when incurred. Employees earn and vest in vacation leave according to years of service as shown below:

<u>YEARS OF SERVICES</u>	<u>FULL-TIME EMPLOYEES</u>
Less than 5 years	6.67 hours per month
After 5 years	10.00 hours per month
After 10 years	13.33 hours per month

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

M. INCOME TAX

The District is exempt from income taxes under Internal Revenue Code Section 501(c).

NOTE 2 - NET PATIENT SERVICE REVENUE

The District has agreements with third party payors that provide payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third party payors follows:

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services, certain outpatient services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare fiscal intermediary. The District's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the District. The District's Medicare cost reports have been audited by the Medicare fiscal intermediary through October 31, 1996.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by Medicaid fiscal intermediary. The District's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through October 31, 1996.

Blue Cross

Inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per diem rates are not subject to retroactive adjustment.

The District has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payments to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively daily rates.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 3 - ACCOUNTS RECEIVABLE - PATIENTS

Accounts receivable - patients consists of the following:

	<u>OCTOBER 31,</u> <u>1999</u>	<u>OCTOBER 31,</u> <u>1998</u>
Total patient accounts receivable	\$1,814,433	\$1,622,326
Less allowance for uncollectible accounts	<u>(1,132,624)</u>	<u>(863,475)</u>
	681,809	758,851
	=====	=====

The following summarizes the activity in the allowance for uncollectible accounts:

	<u>OCTOBER 31,</u> <u>1999</u>	<u>OCTOBER 31,</u> <u>1998</u>
Balance, at beginning of year	\$863,475	\$533,306
Recoveries	72,576	100,809
Amounts charged to expenses	488,346	491,828
Difference in year end contractual provision	108,082	92,462
Accounts charged off	<u>(399,855)</u>	<u>(354,930)</u>
Balance, at end of period	1,132,624	863,475
	=====	=====

NOTE 4 - ACCOUNTS RECEIVABLE - OTHER

Accounts receivable - other consists of the following:

	<u>OCTOBER 31,</u> <u>1999</u>	<u>OCTOBER 31,</u> <u>1998</u>
Uncollected sales tax revenue for the months of October and September	\$187,578	\$154,330
Accrued maintenance tax revenue	466,660	450,000
All other	<u>8,510</u>	<u>3,916</u>
	662,748	608,246
	=====	=====

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 5 - ASSETS WHOSE USE IS LIMITED

Assets whose use is limited under agreements with third party payors for funded depreciation are summarized as follows:

	<u>OCTOBER 31,</u> <u>1999</u>	<u>1998</u>
<u>U. S. TREASURY DIRECT</u>		
Treasury bills maturing 12-02-99 through 01-20-00 yielding 4.59% - 4.99%	\$1,140,047	
Treasury bills maturing 12-03-98 through 01-28-99 yielding 3.85% - 4.80%		\$1,240,594
<u>Certificates of Deposit</u>		
Various banks maturing 12-12-98 and 01-12-99 - Interest rate 4.50% - 6.00%	500,000	
Various banks maturing 12-12-98 and 01-12-99 - Interest rate 4.78% - 5.25%		200,000
<u>Savings Account</u>		
Bank of Commerce 3.11% and 4.12%	<u>80,781</u>	<u>241,046</u>
	<u>1,720,828</u>	<u>1,681,640</u>
	=====	=====

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	<u>OCTOBER 31,</u> <u>1999</u>	<u>1998</u>
Land	\$157,158	\$157,158
Building and improvements	1,586,593	1,385,400
Equipment	2,452,593	2,245,179
Construction in progress	<u>170,163</u>	<u>93,568</u>
	4,366,507	3,881,305
Allowance for depreciation	<u>2,267,189</u>	<u>2,045,554</u>
<u>Total Property and equipment</u>	<u>2,099,318</u>	<u>1,835,751</u>
	=====	=====

NOTE 7 - OTHER OPERATING REVENUE

The District receives tax revenue from sales tax and property tax collected on purchases and property assessments in West Feliciana Parish. The sales tax is to be used for the operation of the Hospital and the property tax is to be used for operation and maintenance of the Hospital.

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1999

NOTE 8 - LONG-TERM DEBT

Long-term debt consist of a note payable to Citicorp in monthly installments of \$1,383 including interest at 7.25% through May 2000, collateralized by lab equipment. Maturities of notes payable for each year follows:

October 31, 2000	\$4,483
------------------	---------

NOTE 9 - RETIREMENT PLAN

The District has executed the Variable Annuity Life Insurance Company (VALIC) prototype Profit Sharing Plan with Cash or Deferred Arrangement Option Non Standardized Adoption Agreement No 3. This defined contribution plan (457) provides benefits to substantially all employees. The District contributes \$1 for each \$1 the employees defer up to 4% of the employees compensation. Total expenses were \$45,104 and \$46,442 respectively.

NOTE 10 - INSURANCE RISKS

The Hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Hospital is a member of two separate trust funds established by the Louisiana Hospital Association that encompasses self insurance of (1) hospital professional liability and comprehensive general liability, and (2) statutory workers' compensation. The Hospital carries commercial insurance for all other risks of loss. As of the balance sheet date, the District has no malpractice claims exceeding its coverage.

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

The District is located in St. Francisville, Louisiana, and grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. Revenue from patients and third-party payors were as follows:

	YEAR ENDED OCTOBER 31,	
	1999	1998
Medicare and Medicaid	51%	54%
Commercial, Blue Cross and all other	49%	46%
	100%	100%
	===	===

March 16, 2000

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Commissioners
West Feliciana Parish Hospital
Service District No. 1
St. Francisville, Louisiana

Members of the Board:

My audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole of West Feliciana Parish Hospital Service District No. 1 as of and for the year ended October 31, 1999, and October 31, 1998, which is presented in the preceding section of this report. The supplemental information presented is for the purposes of additional analysis and is not a required part of the component unit financial statements. Such information has been subjected to the audit procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

Darryl Furton

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENTS OF OPERATING REVENUE
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31,	
	1999	1998
<u>PATIENT SERVICE REVENUE</u>		
Nursing Services	\$250,897	\$291,109
Home Health	441,263	592,072
Emergency services	166,511	144,593
Emergency services - physicians' fees	493,036	392,628
Central services	259,950	263,859
Laboratory	643,563	576,074
Blood Bank	3,576	521
Radiology - diagnostic	299,791	317,003
Radiology - physicians' fees	97,890	101,176
Ambulance service	493,637	489,010
Respiratory therapy	302,002	265,854
Pharmacy	361,935	369,833
Physical therapy	369,879	277,759
Anesthesiology	2,130	6,009
Electrocardiology	89,939	84,631
EEG		467
Occupational therapy / Clinical services	8,843	
Nuclear medicine	17,480	16,470
Speech therapy	525	126
Social services	1,148	1,071
Ultrasound	16,180	15,970
Dr. Parrish's office		387
Dr. Nwabueze / Oubre's office	47,797	64,553
Dr. Harris / McAnally's office	36,635	32,058
<u>Total patient service revenue</u>	4,404,607	4,303,233
Less contractual adjustments	734,883	661,736
<u>Net patient service revenue</u>	3,669,724	3,641,497
 <u>OTHER OPERATING REVENUE</u>		
Office rents	\$24,800	\$29,600
Dietary revenue including sheriff	67,551	60,284
Medical records and insurance fees	1,201	675
Vending machine commissions	1,314	1,364
<u>Total other operating revenue</u>	94,866	91,923

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENTS OF OPERATING EXPENSES
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31,	
	1999	1998
<u>SALARIES</u>		
Nursing	\$513,712	\$501,496
Home Health	288,593	263,737
Laboratory technicians	126,838	118,030
Dietary management	82,248	67,434
Respiratory therapy	112,126	101,712
Radiology	81,100	76,845
Business Office	163,555	135,432
Administrative	34,956	31,782
Plant Operations	52,581	58,415
Medical records	46,671	42,408
Housekeeping	45,508	45,179
Ambulance	250,215	198,387
Dr. Nwabueze / Oubre's office	65,282	121,273
Dr. Harris / McAnally's office	50,698	38,156
All other	7,340	7,340
<u>Total salaries</u>	1,914,083	1,807,626

PURCHASED SERVICES

Pharmacy	\$35,453	\$36,600
Respiratory therapy	8,944	11,186
Laboratory	103,609	73,495
Administrative	75,304	70,462
Laundry/linen	40,013	31,033
EKG	16,292	12,653
Plant operations	6,708	17,033
Radiology	1,870	10,987
Physical therapy	207,811	149,703
Anesthesia	2,490	5,360
Ultrasound	4,560	5,179
Dietary	2,860	3,120
security		
Dr. McAnally		157
Social services	2,600	1,900
Radiologist physician fees	97,781	104,219
Nuclear medicine	8,277	4,661
Home Health	7,882	9,390
All other	3,179	1,530
<u>Total purchased services</u>	625,633	548,869

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
STATEMENTS OF OPERATING EXPENSES
YEARS ENDED OCTOBER 31, 1999, AND OCTOBER 31, 1998

	YEAR ENDED OCTOBER 31,	
<u>SUPPLIES AND OTHER EXPENSES</u>	<u>1999</u>	<u>1998</u>
Laboratory	\$82,609	\$81,294
Blood bank	5,070	2,557
Home Health	13,854	20,162
Nursing	13,863	22,314
Radiology	15,793	19,629
Pharmacy	70,579	69,897
Central services	50,278	47,061
Business office	20,596	15,603
Dietary	37,746	32,585
Plant operations	49,990	57,147
Housekeeping	21,409	29,176
Ambulance	26,865	
Physical therapy	4,126	3,344
Medical records	7,222	4,570
Administrative	4,319	5,840
Respiratory therapy	25,432	31,238
Dr. Nwabueze / Oubre's office	7,043	12,974
Dr. Harris / McAnally's office	9,455	4,160
Surgery	1,188	3,711
All other	<u>1,049</u>	<u>3,614</u>
<u>Total supplies and other expenses</u>	<u>468,486</u>	<u>466,876</u>
	=====	=====
 <u>OTHER OVERHEAD EXPENSES</u>		
Home Health	\$34,456	\$39,948
Ambulance	18,632	46,155
Laboratory	11,098	16,731
Radiology	16,214	8,993
Pharmacy	175	156
Nursing services	5,095	1,608
Medical records	213	453
Business office	36,420	25,326
Plant operations	50	110
Dietary	3,225	3,672
Collection fees	30,207	37,056
Audit and legal fees	36,636	28,940
Postage	9,918	13,399
Equipment rental	7,051	6,689
Dues and subscriptions	5,625	13,365
Physician recruitment and other office	71,918	63,844
All other administrative	<u>46,779</u>	<u>39,038</u>
<u>Total other overhead expenses</u>	<u>333,712</u>	<u>345,483</u>
	=====	=====



LARRY G. JOHNSON

CERTIFIED PUBLIC ACCOUNTANT

A PROFESSIONAL ACCOUNTING CORPORATION

March 16, 2000

Board of Commissioners
West Feliciana Parish Hospital
Service District No. 1
St. Francisville, Louisiana

Members of the Board:

I have audited the accompanying component unit financial statements of

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
ST. FRANCISVILLE, LOUISIANA

as of and for the year ended October 31, 1999, and have issued my report thereon dated March 16, 2000.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the West Feliciana Parish Hospital Service District No. 1 is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests indicate that, with respect to the items tested, the West Feliciana Parish Hospital Service District No. 1 complied, in all material respects, with the provisions referred to in the preceding paragraph except as explained below.

Finding: The management of West Feliciana Parish Hospital has the responsibility to insure that funds which it controls conform to State's pledging requirements when placing funds in a depository institution. At October 31, 1999, the local bank had allowed the the Hospital's account balances to exceed the collateral that it maintained to secure such balances.

Explanation: West Feliciana Parish Hospital was not at fault in allowing this oversight to occur. The local bank corrected its problem in December 1999, and has maintained sufficient collateral to secure these public fund deposits. Management should periodically inquire as to whether or not sufficient collateral is being maintained.

With respect to items not tested, nothing came to my attention that caused me to believe that the District had not complied, in all material respects, with those provisions.

The recommendations that were mentioned in our letter dated March 20, 1999, with respect to the October 31, 1998 audit were adhered to and the findings that existed then have been corrected.

This report is intended for the information of the board, management and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

LARRY JOHNSON - APAC

By: Larry Johnson



LARRY G. JOHNSON

CERTIFIED PUBLIC ACCOUNTANT

A PROFESSIONAL ACCOUNTING CORPORATION

March 16, 2000

Board of Commissioners
West Feliciana Parish Hospital
Service District No. 1
St. Francisville, Louisiana

Members of the Board:

I have audited the accompanying component financial statements of the

WEST FELICIANA PARISH HOSPITAL
SERVICE DISTRICT NO. 1
ST. FRANCISVILLE, LOUISIANA

as of and for the year ended October 31, 1999, and have issued my report thereon dated March 16, 2000.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

In planning and performing my audit of the component unit financial statements of the West Feliciana Parish Hospital Service District No. 1 for the year ended October 31, 1999, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the West Feliciana Parish Hospital Service District No. 1 is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

For the purpose of this report, internal control consist of the following five interrelated components:

1. The control environment
2. Risk assessment
3. Control activities
4. Information and communication
5. Monitoring

SAS No. 78 requires the auditor to obtain a sufficient understanding of the interrelated components to plan the audit. This understanding is used to identify types of potential misstatements, factors that affect the risk of material misstatement and design of substantive test.

I noted a matter involving the internal control structure and its operation that I considered to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements.

I noted the following reportable condition:

Segregation of Duties

During my review of the internal control structure, I noted a lack of segregation of duties of accounting functions due to the limited number of personnel. The same individual records transactions and reconciles the accounts and there is also an overlapping of duties in deposits and accounts receivable.

Management is aware of this situation and continues to develop procedures to review these transactions on a routine basis.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I do not believe the reportable condition described above is a material weakness.

This report is intended for the information of the board, management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Very truly yours,

LARRY JOHNSON - APAC

By: Larry Johnson